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AUSTRALIAN LIVESTOCK SALEYARDS

POTENTIAL ISSUES FOR FUTURE DEVELOPMENT AND MANAGEMENT

Abstract

This scoping study was commissioned by Meat and Livestock Australia Limited as a means of identifying areas of significance to the saleyard sector where additional MLA expenditure may benefit its constituents (producers) and assist saleyards in increasing their relevance to the future marketing of Australia's cattle, sheep and goats.

A range of possibilities has been identified, including: improving inter-regional consistency in rules governing saleyard compliance with government and industry requirements; improving yard design for occupational-health-and-safety and livestock-security priorities; developing interface (web-based) marketing; and addressing animal-welfare and environment issues associated with pen flooring.

Collaboration between MLA and the saleyard sector should encourage the development of 'Selling Centres of Excellence' that are positioned to embrace industry initiatives, ultimately benefiting the producing sector and the industry as a whole.

Executive Summary

Direct-to-buyer sales (i.e., those that circumvent saleyards) have increased over the past three decades, particularly since the advent of accurate and objective carcase description.

While many existing saleyard operators provide a general assembly-and-dispatch service to livestock vendors, buyers and/or their agents, the future survival of yards will become increasingly dependent on operators offering value-adding services and adopting industry-driven initiatives designed to preserve the quality and safety of the final consumable product.

This is particularly pertinent for those local councils or private investors embarking on major saleyard development or upgrades. In some cases, in excess of $10m expenditure is anticipated; appropriate planning is therefore critically important to the future viability of the facility.

In recognition of the need for action, the Saleyard Operators' Association of Australia approached Meat and Livestock Australia for assistance in conducting a scoping study for the purpose of identifying areas where MLA and the saleyard sector could work together for the benefit of the producing sector (i.e., MLA's constituents), the saleyard sector and the industry as a whole. MLA responded by commissioning this study.

It is evident from this study that there is a significant number of potential projects that may interest MLA. While a number are already underway (e.g., NVD scanning and a review of curfew rules), MLA's involvement in other beneficial projects could provide impetus for improvement in saleyard operations.

Topics examined within this scoping exercise comprise:

- government and industry rules and guidelines;
- yard design, including entry and exit facilities and security;
- National Livestock Identification System capability;
- national vendor declaration recording and information transfer;
- networking and consultation;
- communication technology;
- curfews;
- MSA channelling;
- interface marketing;
- pre- and post-sale livestock preparation and weighing;
- animal welfare;
- environmental and recycling challenges;
- occupational health and safety and employee issues;
- additional client services; and
- cost and revenue structures.

The following list of recommendations is put to MLA for its consideration.

Regarding:	**It is RECOMMENDED that MLA:**	
Governments and Industry	*1.*	*Facilitate a working group for identifying regional inconsistencies and devising and implementing strategies targeting the removal of such inconsistencies*.
Yard design	*2.*	*Work with SOA to establish a broad set of principles for the development of selling centres such that, at the very least, industry initiatives can be consistently accommodated*.
NLIS	*3.*	*Consider the benefits of expanding the 'power' of the NLIS tag and associated technology to transfer information that would enable state-of-the-art tracking and, if possible, mechanical drafting*.
NVDs	*4.*	*Assuming the successful launch on 13 July 2005 of the NVD scanning technology, encourage all saleyard operators to facilitate the installation of such a device for use by agents*.
	5.	*Examine the NVD form for ways of simplifying the entry of information*.
Networking / Consultation	*6.*	*Facilitate a series of 'think tank' workshops for the purpose of developing, among other things, a strategic plan and an improved networking capability for the saleyard sector*.
Communication	*7.*	*Ensure saleyards utilise available funding to optimise their role in trace-back/trace-forward activities*.
Curfew	*8.*	*Review the benefits of curfew periods and pursue strategies for national consistency*.
MSA	*9.*	*Continue encouraging saleyard operators to participate in the MSA program by becoming accredited MSA saleyards*.
Interface (Web-Based) Marketing	*10.*	*Work with industry to assess the merits of interface marketing and, if considered appropriate, commence funding such a development for Australia*.
Livestock Preparation and Weighing	*11.*	*Review the benefits of pen weighing against those of individual weighing, particularly in light of NLIS scanning*.
	12.	*Consider running a comparative analysis study on pre-sale versus post-sale weighing*.
Yard Security	*13.*	*Investigate the benefits of developing a 'black-box' approach for security at loading ramps and, if considered feasible, carry out relevant R&D*.
Animal Welfare	*14.*	*Monitor saleyards' adherence to accepted animal welfare codes*.
Environmental and Recycling Challenges	*15.*	*Consider funding a comparative analysis study of various soft-stand flooring options, including the use of rubber matting, to determine the animal-welfare and bio-security aspects of the practice*.
Occupational Health and Safety	*16.*	*Investigate inconsistencies between selling centres, regions and State/Territories regarding all aspects of OH&S, including those that rely on State/Territory legislation, and assist the sector in developing a strategy for the removal of such inconsistencies*.
Additional Client Services / Alternate Income Sources	*17.*	*Encourage saleyard managers to participate in extension exercises with their clients and vendors for the purpose of conveying important details about industry programs*.

Contents

1 Background

In the Canberra Times of 28 April 2005, the latest of a string of articles appeared about the potential demise of the saleyards system in Australia. "The days of the local saleyard might be coming to an end, and with it some country towns", it was written. An "agribusiness expert" said that the days when farmers turn out for a weekly cattle sale were coming to a close because "consumers demanded greater certainty over the quality of their meat".

It is a fact that direct-to-buyer sales (i.e., those that circumvent saleyards) have increased over the past three decades, particularly since the advent of accurate and objective carcase description, but this rising trend appears to have levelled in more recent times.

Whatever the case, the Saleyard Operators Association (SOA) has decided to examine ways to increase the relevance of saleyards and ensure their place as an important component of future livestock marketing in Australia.

Additional to this, recent experiences by developers of livestock saleyards have exposed a lack of guidelines that can be used as the basis for building user-friendly, environmentally sensitive, client-oriented, well-designed and efficient selling centres. While it may be considered that the development of such centres is best left to commercial forces and hence allowed to vary according to the services envisaged for each facility, there is a strong case for investigating the worth of providing a 'template' that may assist service providers who are contemplating a new facility.

Importantly, while many existing saleyard operators provide a general assembly-and-dispatch service to livestock vendors, buyers and/or their agents, the future survival of yards will become increasingly dependent on operators offering value-adding services and adopting industry-driven initiatives designed to preserve the quality and safety of the final consumable product. Programs such as Meat Standards Australia (MSA) and the National Livestock Identification System (NLIS) are typical examples. In both cases, there is a view that the benefits of adopting such initiatives on farm are dissipated when saleyards are utilised in the marketing process. For their own survival, it is important that saleyard operators work with other sectors of industry to overcome this real or perceived prejudice by embracing modern management practices in more than just the minority of centres.

2 Project Objectives

J Toohey and Associates was approached to conduct a scoping exercise primarily to identify information gaps for operators of livestock saleyards and to assess the benefits of having these gaps filled for future development and operation of such yards.

Examples of issues for examination in this scoping exercise include:

- government and industry rules and guidelines;
- yard design, including entry and exit facilities and security;
- National Livestock Identification System capability;
- national vendor declaration recording and information transfer;
- networking and consultation;
- communication technology;
- curfews;
- MSA channelling;

- interface marketing;
- pre- and post-sale livestock preparation and weighing;
- animal welfare;
- environmental and recycling challenges;
- occupational health and safety and employee issues;
- additional client services; and
- cost and revenue structures.

3 Methodology

Given that this is merely a scoping study, a personal visit to a large number of saleyards around Australia was unwarranted. Instead, key selling centres in NSW (Forbes, Dubbo, Bathurst and Wagga Wagga), Victoria (Wodonga and Wangarratta) and Queensland (Roma and Gracemere) were chosen for a visit and face-to-face meeting with the managers. Telephone interviews were conducted with other saleyard operators and a number of important industry contacts (see *Appendix 2 – List of Contributors to This Report*).

Coincidentally around the beginning of this project, an SOA workshop was held in Forbes with a focus on telecommunications for saleyards. Also on the agenda was a visit to the under-construction selling centre on the outskirts of Forbes and a brain-storming exercise for attendees regarding initiatives for the future operation of yards. (A copy of the summary report from this workshop is at *Appendix 1 – Meeting Report, Forbes*).

As additional background, a list of SOA member saleyards can be found on the SOA website (www.saleyards.info/saleyards). In summary, there are 68 in NSW, 22 in Victoria, 19 in Queensland, 5 in South Australia, 2 in Tasmania and 1 in the Northern Territory; Western Australia's association is yet to join the SOA. The percentage of saleyards in each State/Territory covered by the SOA differs markedly; this had a bearing on views by some operators about networking and consultation (see *4.5 Networking / Consultation*).

4 Results and Discussion

4.1 Governments and Industry

In respect of development and management, saleyards are governed by rules and regulations at the local, State/Territory and national levels to varying degrees.

Local councils in many instances play a major role in the ownership and management of saleyards, often providing millions of dollars of ratepayers' money to build, improve, maintain and manage yards. State/Territory jurisdictional responsibility generally extends to environmental and animal-welfare governance and employment conditions, whereas the federal level of involvement is generally associated with competition policy.

Of increasing importance in most aspects of agricultural production, including marketing, is the introduction of industry-based schemes associated with product handling. Most of these schemes are voluntary, relying on individuals' commitment to 'the greater industry good' to ensure their success that, as a result, varies considerably.

There are also instances where industry initiatives and government involvement are interdependent; typical examples include the National Livestock Identification System (NLIS) and vendor declaration / waybills.
In most cases, managers contacted for this study were comfortable with the level of government and industry involvement. Some saw the environment agencies of their respective States actually being beneficial to their operation through their guidance in the development of innovations targeting, for example, water conservation and effluent and noise control.
Having said this, there were strong negative views about two significant issues:

- compliance with National Competition Policy, and
- the need for consistency across State/Territory borders in all aspects of business that rely on State/Territory legislation.

The latter issue is by far the more serious and the one in which MLA and other industry bodies should become involved. Inconsistencies currently cover, among other things, OH&S guidelines, employment conditions, environment-related standards, NLIS implementation and cost recovery principles.
Possible MLA role: Facilitate a working group for identifying regional inconsistencies and devising and implementing strategies targeting the removal of such inconsistencies.

4.2 Yard design

Designs for on-property livestock yards are numerous and can be found on the web and through many farming magazines, yet templates for the design of saleyards are scarce.
Common practice for those building or improving saleyards is for new plans to be based on the knowledge and experience of those involved. Some in the industry believe this to be the best approach: "Give me a couple of good drovers and I'll give you a set of good yards", said one interviewee. While this approach rightfully acknowledges the importance of animal-handling experience, it fails to reflect the benefits of collective experience of the sector and indeed the industry as a whole that, if marshalled correctly, could yield a comprehensive set of practical guidelines covering a range of issues for yard design and construction.
When saleyard operators are requested, for example, to adopt industry initiatives such as NLIS or MSA, a set of guidelines for nationally consistent application would alleviate much of the delay caused through adopting the common approach of trial and error.
At the very least industry could establish a clear set of overarching principles, with a focus on the highest animal-welfare standards, financial sustainability, time-and-motion priorities, OH&S priorities and flexibility for local jurisdictional issues. Once these are determined, more detailed studies examining the specific issues that fall within the overarching principles could be considered. These may include:

- yard dimensions and preferred building materials;
- animal-welfare-related aspects (e.g., hinges, protrusions, flooring, watering, spelling);
- OH&S issues (e.g., animal/people demarcation, loading ramp design, gate-latch design, general safety);
- roofing/shade/lighting; and
- livestock movement and scanning.

Yard design also has a significant bearing on yard security, particularly in the configuration of the entry/exit facilities. Here, a set of general industry guidelines would be useful.

Possible MLA role: Work with SOA to establish a broad set of principles for the development of selling centres such that, at the very least, industry initiatives can be consistently accommodated.

4.3 NLIS

4.3.1 Scanning

NLIS scanning technology and data-transfer software continue to evolve. Following Victoria's progressive compulsory implementation, all other saleyards around Australia are required to be 'on line' from 1 July 2005.

Of the non-Victorian yards visited, a set of standards for hardware implementation may have made the task easier. Having said this, the efforts so far by MLA in ensuring operators from non-Victorian yards communicate with Victorian operators have been most effective in steering the correct course for NLIS implementation.

As NLIS becomes increasingly accepted as a fundamental component of livestock production and marketing, some saleyard operators see its potential use as stretching further than is currently the case. As an example, full duplex tagging, if ever adopted, would allow data on the tag to control gate opening in the drafting process, thus further reducing potential OH&S incidents (similar technology is reportedly being used in the dairy industry).

4.3.2 Animal Tracking

With the introduction of the NLIS come valuable opportunities for the tracking of livestock throughout the country. A brainstorming exercise with transporters, NLIS/communications technologists and industry representatives would undoubtedly yield new proposals worthy of serious consideration by industry. An example of this was seen during the workshop convened by the SOA on 19 April 2005 (see Appendix 1 – Meeting Report, Forbes) where the Telstra representative inspired discussions about tracking livestock from farm to unloading point through the use of satellite technology and hand-held communication devices carried by transporters.

Possible MLA role: Consider the benefits of expanding the 'power' of the NLIS tag and associated technology to transfer information that would enable state-of-the-art tracking and, if possible, mechanical drafting.

4.4 NVDs

There were a number of comments and criticisms about the resources required to process National Vendor Declarations and to prepare pre-sale catalogues. It was acknowledged that MLA will be launching in Taree on 13 July 2005 newly developed hardware and software designed to 'automate' the reading and transcribing of information submitted on NVDs. If successful, this new technology should significantly overcome current difficulties.

Problems will continue to exist however, with NVDs that contain illegible handwriting, and agents' data-entry employees will still be required to process these 'faulty' forms. A particularly strong view is held by some interviewees that the NVDs themselves need simplifying, not in the information they carry but in the *style* of information gathered: a simple 'filling in a box' (as in a TAB betting form or multiple-choice school exam paper)

would, if successfully implemented, save the industry many thousands of hours processing time.

Possible MLA role: *Assuming the successful launch on 13 July 2005 of the NVD scanning technology, encourage all saleyard operators to facilitate the installation of such a device for use by agents.*
Examine the NVD form for ways of simplifying the entry of information.

4.5 Networking / Consultation

A few saleyard operators expressed concern about the current low level of networking within their State. Where membership of the State association is low, funding is low and hence servicing of members tends to be relatively poor. Annual conferences attract little interest and yield little benefit for the sector within that State.

Networking is an important method for spreading the word about initiatives adopted by various saleyard operators and allowing the interchange of ideas that may benefit the sector. The brainstorming exercise referred to in *Appendix 1 – Meeting Report, Forbes* reflects the benefits of pulling together a variety of operators and independent experts for general discussions.

MLA may have a role in encouraging the sector to conduct periodic 'think-tanks' at the State or even national level. All effort should be focused on the interchange of ideas, the development of a strategic plan for the sector and the creation of a regular communications process to enable ongoing networking, preferably nationally, for the benefit of strategic plan implementation.

A downside of poor networking in certain regions has been a weakening of the sector's influence at the national level. The sector is now regularly "inadvertently overlooked" (to quote one contact) when relevant national policy is being formulated by other sectors of the livestock industry. Understandably this has led to real reluctance on the part of some saleyard operators to work co-operatively towards rapid and successful adoption of important industry initiatives. Addressing this issue by involving the saleyard sector more in national policy development would enhance industry's progress with adoption of such initiatives.

Possible MLA role: *Facilitate a series of 'think tank' workshops for the purpose of developing, among other things, a strategic plan and an improved networking capability for the saleyard sector.*

4.6 Communication

From the Forbes workshop came a strong message that communications technology needs significant improvement before greater reliance can be placed on data transfer as a means of advancing aspects of livestock tracking and marketing. The Telstra Countrywide representative at the workshop was encouraging in his presentation about future developments and indicated that progress is being made in improving line speeds.

As a positive start, some saleyard operators have signed a memorandum of understanding with Telstra Countrywide to guide the role-out of fibre-optic cabling to their selling centre. Telstra has recently also upgraded its CDMA technology to allow for improved speeds of data transfer via mobile phone or for those centres outside a certain radius from upgraded exchanges. Combined, fibre-optic cabling and the new CDMA technologies will provide adequate services for most saleyards around Australia to deliver relevant services to their clients and the industry as a whole.

Also important in the communication field is the role saleyards must play in facilitating the accurate transfer of data from buyers to sellers. It is the role of agents to ensure their vendor clients receive the feedback information they seek, but saleyard operators

must ensure adequate technology is available on site for such passback. Full integration of saleyard systems into the trace-forward, trace-back process is vital.

Possible MLA role: Ensure saleyards utilise available funding to optimise their role in trace-back/trace-forward activities.

4.7 Curfew

In all saleyards across Australia, livestock must be delivered at a time that allows for a 'wet curfew' period (off feed but on water) to elapse before the animals are weighed. The purpose of this is for the cattle to 'empty out', thus avoiding excessive soiling of other livestock, making the livestock easier and safer to handle because of a better demeanour, reducing effluent from the yards and alleviating buyers paying for gut fill when livestock are bought on a weight basis.

This curfew period is additional to any holding period exercised on farm by the vendor and the time it takes to transport the livestock to market.

MSA guidelines require cattle to have "… free access to feed until dispatch, other than a minimum period required for preparation through cattle yards".

While some saleyard operators see the curfew as important to ensuring livestock are delivered to the yards with enough time for drafting and pre-sale preparation, others are questioning its use, for cattle at least. Either way, inconsistencies in curfew requirements across jurisdictions and between saleyards need attention.

Possible MLA role: Review the benefits of curfew periods and pursue strategies for national consistency.

4.8 MSA

There has been contention in the past regarding the inability of producers to maintain an MSA rating for their cattle if they pass through the saleyard system. Work in this area by MLA is ongoing and resulting improvements are being introduced.

Possible MLA role: Continue encouraging saleyard operators to participate in the MSA program by becoming accredited MSA saleyards.

4.9 Interface (Web-Based) Marketing

Interface, or web-based, marketing is practised in the US and Canada with reportedly variable success. It involves live, web-based broadcasting of the actual sale and, at its most sophisticated, buyers and sellers interfacing with the sale in real time.

This approach could be trialled in Australia utilising the AuctionPlus system as a base.

Interface marketing would seem to suit central-yard selling rather than walkway selling, with the latter likely to pose problems for the required video and data-transfer technology. Having said this, a number of operators where pen selling is practised are enthusiastic about the long-term prospects of interface marketing and would be keen to participate in industry trials were they to proceed.

There are a number of advantages to interface marketing in its fullest form:

- the cost (fuel, time, opportunity cost) to vendors in travelling to sales can be alleviated;
- buyers have a greater 'catchment' area by accessing numerous selling centres for the provision of livestock types being sought;
- processors can significantly reduce their dependence on travelling buyers, thus lowering the risks of OH&S problems and saving on travel costs; and
- record keeping and transaction verification are made more secure.

Those vendors who place importance on the social aspects of visiting saleyards to watch their livestock being sold will undoubtedly continue to make the trek; interface marketing would better suit those who find such excursions an ineffective use of limited resources.

Possible MLA role: Work with industry to assess the merits of interface marketing and, if considered appropriate, commence funding such a development for Australia.

4.10 Livestock Preparation and Weighing

4.10.1 Pen versus Individual Weighing

In all saleyards visited, pen weighing for cattle was the practised, and in some cases preferred, method. However in some southern yards this is being questioned in favour of individual weighing. There is little doubt that pre-sale weighing lends itself to the introduction of individual weighing, particularly when combined with NLIS scanning and whole-of-life traceability. Every relevant aspect of each animal's characteristics can then be presented to potential buyers before the sale begins.

Observers in the US have reportedly indicated that in some cases individual pen weighing is faster than pen weighing, but this needs further investigation, particularly under Australian conditions.

The retiring of pen scales in favour of individual scales would come at some cost to the selling centres; justification would therefore have to be strong.

Possible MLA role: Review the benefits of pen weighing against those of individual weighing, particularly in light of NLIS scanning.

4.10.2 Pre- versus Post-Sale Weighing

Pre-sale weighing versus post-sale weighing has proved a contentious issue in certain regions, particularly in Victoria where the introduction of post-sale weighing was treated with some suspicion.

In the case of many northern Australian yards, pre-sale weighing is said to be impractical: it is virtually impossible because of the large numbers of cattle that would need processing between arrival times and sale times. Among those utilising post-sale weighing, and indeed some who have adopted pre-sale weighing, there are concerns about OH&S issues associated with long working hours.

Possible MLA role: Consider running a comparative analysis study on pre-sale versus post-sale weighing.

4.11 Yard Security

With the high values for Australian livestock has come an increased risk of livestock theft. Producers are dealing with this to some extent through the application of NLIS tags and boluses but saleyards, where livestock are already aggregated in close proximity to loading ramps, are ripe for the picking.

Some yards are ideally suited to increased security because of their location and single-entry gate for all visiting vehicles; others are too spread out and exposed to allow the implementation of expensive traffic-control-related systems.

A suggestion for added security came from the manager at Dubbo, Andrew Stanton, who strongly supports the creation of a 'black box' for placement on each loading ramp gate. This device would have at least two functions: to control the locking mechanism of the gate and to store NLIS and other relevant data pertinent to the livestock in that

particular yard. The transporter assigned to collecting the livestock would produce an electronic storage device that would communicate with the black box, simultaneously unlocking the gate and collecting data on the livestock, including total weight. This approach would increase security and improve livestock tracking capabilities, while assisting transporters in meeting their load-limit requirements.

Again at Dubbo, security surveillance cameras have been installed. This, combined with the single-gate access for vehicles, provides a sound means of monitoring vehicular and personnel movements. The technology has, over its short period of operation, been fundamental to the fast resolution of two commercially sensitive issues that would otherwise have cost time and money to address.

In yards such as Wangarratta and Warrnambool where vehicular access is difficult to channel and where other public services are provided, leading to significant unidentified traffic movements, surveillance cameras would have little effect. The employment of security staff and pursuit of the black-box approach (as described above) would, on the other hand, suit well.

Possible MLA role: Investigate the benefits of developing a 'black-box' approach for security at loading ramps and, if considered feasible, carry out relevant R&D.

4.12 Animal Welfare

On the whole, animal welfare issues seem well in hand.

One matter of relevance is the damage caused to feet by concrete flooring if livestock are held for prolonged periods; this is particularly an issue in northern Australia where *bos indicus* cattle are involved. Soft-stand flooring (see under *4.13 Environmental and Recycling Challenges*) looks promising as a means of overcoming this issue, though there is considerable research required to determine its full worth.

Generally, industry must remain vigilant regarding the welfare of animals at saleyards. Animal handling, access to adequate water, yard design and livestock and handler temperament are among the variables that affect the welfare of animals. Such aspects are sufficiently covered in various livestock-related codes; it is the responsibility of the saleyard operators and the sector as a whole to ensure on-going adherence to these codes.

Possible MLA role: Monitor saleyards' adherence to accepted animal welfare codes.

4.13 Environmental and Recycling Challenges – 'Soft' Flooring

One of the most significant advances facing selling centre managers today in relation to environmental and recycling challenges involves the use of soft-stand flooring, the practice of using woodchips, or in one case rubber matting, spread across floors of pens.

There is a real mix of opinions about the benefits of soft-stand flooring: while there does appear a swelling of support based on animal-welfare and environmental grounds, there were some operators who felt soft-stand flooring involving woodchips would be a problem if left uncovered, particularly in high-rainfall zones.

Among supporters there were differing opinions about the type of woodchips to use: radiata or cypress pine. The latter was said to be too dusty, though the 'jury was still out'. Gracemere's manager, Peter Priem, is trialling 'link-lock mulch', a combination of fine hardwood 'filings' mixed with sand.

Woodchips have been trialled at Roma with little success: apparently, with the huge number of cattle put through (up to 390,000 head per year), the shavings are trodden in large quantities through to the scales, requiring regular hosing to ensure the weighing remains accurate.

Additional problems may come when consistently heavy rain falls on uncovered shaving. Rain has been very scarce in eastern Australia over the past few seasons and hence this issue has so far been avoided. Under normal seasonal conditions however, wet winters in southern Australia pose a particular problem; to deal with this, managers of unroofed yards are considering utilising soft-stand flooring only during the summer months.
The following issues were raised as important to the soft-stand debate and worth further investigation:

4.13.1 Environmental Benefits of Soft-Stand Flooring

Under the traditional concrete-yard design, vast quantities of water are used to clean the yards after sale day. Effluent management then becomes an issue.

With soft-stand flooring it appears that, based on experience to date, keeping the yards spotlessly clean is irrelevant as the chips themselves absorb waste and, over the course of months, break down into a friable mix seemingly sought after by landscape gardeners and the like.

4.13.2 Resource Benefits of Soft-Stand Flooring

The time and resources previously taken to hose out the yards are being utilised instead to rake the floor regularly to ensure even cover throughout the period the cattle are yarded.

4.13.3 Supply of Woodchips

Supply of woodchips is a potential issue. Users in northern Victoria are sourcing their supplies from Benalla at around $1,800/load; Gracemere is sourcing its link-lock mulch from Dingo three hours to the west for $4/$m^3$.

As part of further research into the value of this practice, a supply/demand examination could be conducted to indicate likely future supply/demand, and hence pricing, trends.

4.13.4 Bio-Security Aspects of Soft-Stand Flooring

What of the bio-security aspects of soft-stand flooring? Will extended use of shavings increase the potential for inter-temporal disease transference? Will the composting action be sufficient to reduce pathogenic bacteria and, if so, will excessive rain on uncovered yards have a detrimental impact on the positive aspects of composting?

The meat-chicken industry, a major user of floor shavings, considers the natural composting process to be considerably beneficial in the control of pathogenic organisms, but this is within enclosed sheds where the predominant moisture comes from the birds themselves and where there is a relatively long time period between stocking and destocking.

In recognition of the need for a more thorough understanding of this issue, the poultry industry and the beef lotfeeding sector are each currently conducting relevant R&D into the recycling potential of flooring material, particularly regarding microbial and bacterial aspects. (A related study was commissioned in 1993 by the lotfeeding sector, but with a focus on odour control.)

While it would be beneficial for the saleyard sector to take account of the findings from the poultry- and feedlot-related research, there are important differences that would necessitate a separate study before confident predictions could be made about the

advantages and disadvantages of using soft-stand flooring, especially from a pathogenic viewpoint:

1. animals from different origins move through saleyards in quick succession compared with those in feedlots and poultry sheds;
2. there is the potential for cross contamination between pen lots in saleyards, which is less likely to occur in feedlots and poultry sheds due to the all-in all-out management system;
3. livestock from feedlots and poultry sheds are, in the vast majority of cases, destined for slaughter whereas those in saleyards are often destined for further production, therefore providing greater potential for the transfer of diseases between pen lots and onto properties;
4. flooring in feedlots and poultry sheds remains undisturbed for a far greater length of time than that in saleyards
5. poultry and ruminants have different disease issues and priorities, only some of which may be addressed through the composting process;
6. wood shavings are not commonly used in feedlots; and
7. poultry are fully enclosed in controlled-environment sheds.

These and other issues will have a bearing on the potential for disease spread and the degree to which composting, to the extent that it occurs, may mitigate such a risk should it exist. It is for this reason that the saleyard sector and its clients would be advised to commission independent research into the bio-security aspects of soft flooring in saleyards.

Possible MLA role: Consider funding a comparative analysis study of various soft-stand flooring options, including the use of rubber matting, to determine the animal-welfare and bio-security aspects of the practice.

4.14 Occupational Health and Safety

At all yards visited, OH&S issues were considered of high and growing importance.
In spite of this, there are selling centres where the livestock/people interface, one of the most critical areas of OH&S risk, is less than optimal. In a number of instances, the public must traverse livestock-distribution races when moving from selling pen to selling pen, exposing the public to the potential for serious injury.
The manager at Wangaratta, Peter Murray, experienced just such a problem and overcame it by simply altering pen numbering and, as a consequence, diverting the flow of people in a counter direction, away from the race. Some other centres are still grappling with the problem by using, for example, signage to warn people when the cattle race is in use.
Such variation from centre to centre seems avoidable, either by establishing a broad set of design guidelines (as mentioned under *4.2 Yard design*) or by encouraging greater cross-fertilisation of ideas (as mentioned under *4.5 Networking / Consultation*).
A recent development in the sector has been the National Saleyard and/or Livestock Handling Facility Agreement, which “reflects the commitment of Saleyards, and the primary users undertaking work-related tasks, to adopt a proactive approach to promote a safe workplace” (Saleyard Operators Information Centre Message Board, 26/4/05). The National Agreement is written with a focus on the health and safety of

'Primary Users' (those who undertake work tasks related to the operational requirements of the saleyard and/or livestock handling facility) and 'Secondary Users' (those who are at the saleyard and/or livestock handling facility on there own behalf or as agents for other parties, to participate in the livestock trade).
Yard design and operation are vitally important to responsible OH&S custodianship. Automation of drafting gates and height-adjustable loading ramps is a typical example of innovations that can significantly improve workers' exposure to possible injury. Conversely, widely varying yard designs in areas of heavy use by visitors (even down to the design of gate latches, for example) can have a negative impact on personnel safety.
In this era of litigation and high insurance costs, it is imperative that saleyard operators maximise their implementation of relevant and consistent OH&S programs.

Possible MLA role: *Investigate inconsistencies between selling centres, regions and State/Territories regarding all aspects of OH&S, including those that rely on State/Territory legislation, and assist the sector in developing a strategy for the removal of such inconsistencies.*

4.15 Additional Client Services / Alternate Income Sources

In relation to the traditional core business of saleyards, the basic provision of clean facilities for agents, staff, truck drivers and visitors is essential. Additionally, a program for clients involving regular information transfer, particularly regarding new industry programs or relevant government regulations, has provided selling centres with strong local industry support. On-site meeting rooms and/or 'travelling road shows' are useful in delivering such a service.
A number of innovative approaches have been adopted by yard managers as a means of increasing the profitability of the site. The potential for applying 'outside the box' initiatives rests somewhat with the yard's location and layout but in virtually all cases something additional to core business can be done should the manager/owner choose
Relatively common initiatives include:

- contract weighing (i.e., weighing livestock destined for direct-to-works delivery or property-to-property sale);
- lot aggregation of livestock for transhipment;
- special sales where and when appropriate; and
- allowing the trucking area to be used by the local traffic authority for driving tests.

Relatively unusual initiatives witnessed at the selling centres visited include:

- utilising 'yard sweepings' and effluent for a worm factory;
- providing facilities for horse eventing and a campsite for participants;
- providing facilities for concerts (where the selling ring is used as an amphitheatre) and/or agricultural expos or farmers' markets; and
- providing a restaurant/café for public bookings.

Undoubtedly most saleyard managers have explored alternative income sources for the benefit of the saleyard owner; however, further encouragement could be provided as a means of making use of a valuable, in most cases public, resource that in some centres sits idle for much of the year.

Possible MLA role: *Encourage saleyard managers to participate in extension exercises with their clients and vendors for the purpose of conveying important details about industry programs.*

4.16 Cost and Revenue Structures

While this topic was listed under *2 Project Objectives* for investigation, it proved too commercially sensitive for close scrutiny.

One question repeatedly asked of saleyard operators was whether they utilised 'repayment periods' to assess the worth of a potential investment before the investment was made. Without exception, the answer was 'no'. It should be noted that the yards visited were all local-government-owned and, as such, were more intent on providing a community service, albeit with some cost recovery, than satisfying tight commercial payback periods.

5 Success in Achieving Objectives

The objective for this brief scoping study was to identify issues currently before the saleyard sector in relation to its delivery of services to the livestock industry and highlight any area in which MLA may potentially lend support to the sector's addressing of these issues. In this respect, the objective has been met. Ultimate success in providing benefit to the industry as a whole rests with the level of involvement MLA chooses to provide.

A summary of the issues and MLA's potential role in facilitating change is contained in the following table.**ISSUE**	**DEGREE OF IMPORTANCE TO THE SECTOR**	**POTENTIAL FOR MLA INVOLVEMENT**	**COMMENTS**
Governments and Industry	Medium	Medium	Possible funding for a review of existing gov't regulations and associated costs
Yard design	Medium	Medium	Commercial issue requiring operator input and commitment; MLA could help develop minimum standards or basic principles
NLIS	High	High	Already in progress
NVDs	High	High	Already in progress with scanner but work could be done on the form itself
Networking / Consultation	High	Medium	Possible initial funding for planning
Communication	High	Medium	Progress being made between saleyard sector and service provider (Telstra) regarding internet speeds; MLA has a role in promoting NLIS data transfer
Curfew	High	High	Fund study to achieve consistency in curfew times
MSA	Medium	High	Already in progress
Interface (Web-Based) Marketing	High	High	Ideally suited to MLA's expenditure on projects with potential long-term benefits
Livestock Preparation and Weighing	Medium	High	Possible funding for comparative analysis
Yard Security	High	High	Suited to MLA's role with R&D expenditure
Animal Welfare	High	Low	Saleyard responsibility; MLA could fund comparative analysis on flooring options
Environmental and Recycling Challenges	Medium	High	Possible funding for trials and for supply/demand study. Maintain a watching brief on current bio-security studies commissioned by the poultry industry and the lotfeeding sector
Occupational Health and Safety	High	Low	As with 'Yard Design'
Additional Client Services / Alternate Income Sources	Low	Medium	Commercial issue

6 Impact on the Meat and Livestock Industry, Now and in Five Years

In MLA adopting the recommendations from this scoping study, a very real commitment to the longevity of the saleyard sector would be evident. Improvements emanating from any resulting collaborative work with the saleyard sector will benefit the producing sector and enable saleyards to be accepted as responsible deliverers of an important marketing service.

One proviso for the benefits to be felt in five years and beyond is that the saleyard sector be included in all relevant policy development. This will create a sense of

saleyard-sector ownership of the policies and undoubtedly result in a strong resolve by that sector to have such policies implemented.

7 Conclusion and Recommendations

The saleyard sector *does* have a significant role to play in the ongoing marketing of Australia's sheep, cattle and goats and *will* maintain a presence in the marketing chain. While many producers choose to market their livestock direct to works, many more continue to utilise the services of the saleyard sector. However, the sector must strive to be a part of the main game, not simply a selling refuse of last resort (e.g., for the sale of drought-affected or cull livestock only).

In order for it to maintain or improve its relevance, it will need to continue pursuing improvements that reflect the priorities of the industry as a whole.

It is appropriate to conclude that MLA and its constituents have a role in ensuring the saleyard sector is operating optimally, at least in respect of the delivery of industry programs and the careful handling of livestock.

Saleyard operators involved in this scoping study have identified issues they believe are important to the future well-being of their sector and have demonstrated a willingness to participate with MLA in areas it chooses to become involved.

In the following table are listed the recommendations emanating from this scoping study. It should be noted that this study should represent, in relation to many of the issues, a start, rather than an end, point.

Recommendations

Regarding:	**It is RECOMMENDED that MLA:**	
Governments and Industry	*1.*	*Facilitate a working group for identifying regional inconsistencies and devising and implementing strategies targeting the removal of such inconsistencies*.
Yard design	*2.*	*Work with SOA to establish a broad set of principles for the development of selling centres such that, at the very least, industry initiatives can be consistently accommodated*.
NLIS	*3.*	*Consider the benefits of expanding the 'power' of the NLIS tag and associated technology to transfer information that would enable state-of-the-art tracking and, if possible, mechanical drafting*.
NVDs	*4.*	*Assuming the successful launch on 13 July 2005 of the NVD scanning technology, encourage all saleyard operators to facilitate the installation of such a device for use by agents*.
	5.	*Examine the NVD form for ways of simplifying the entry of information*.
Networking / Consultation	*6.*	*Facilitate a series of 'think tank' workshops for the purpose of developing, among other things, a strategic plan and an improved networking capability for the saleyard sector*.
Communication	*7.*	*Ensure saleyards utilise available funding to optimise their role in trace-back/trace-forward activities*.
Curfew	*8.*	*Review the benefits of curfew periods and pursue strategies for national consistency*.
MSA	*9.*	*Continue encouraging saleyard operators to participate in the*

		MSA program by becoming accredited MSA saleyards.
Interface (Web-Based) Marketing	*10.*	*Work with industry to assess the merits of interface marketing and, if considered appropriate, commence funding such a development for Australia*.
Livestock Preparation and Weighing	*11.*	*Review the benefits of pen weighing against those of individual weighing, particularly in light of NLIS scanning*.
	12.	*Consider running a comparative analysis study on pre-sale versus post-sale weighing*.
Yard Security	*13.*	*Investigate the benefits of developing a 'black-box' approach for security at loading ramps and, if considered feasible, carry out relevant R&D*.
Animal Welfare	*14.*	*Monitor saleyards' adherence to accepted animal welfare codes*.
Environmental and Recycling Challenges	*15.*	*Consider funding a comparative analysis study of various soft-stand flooring options, including the use of rubber matting, to determine the animal-welfare and bio-security aspects of the practice*.
Occupational Health and Safety	*16.*	*Investigate inconsistencies between selling centres, regions and State/Territories regarding all aspects of OH&S, including those that rely on State/Territory legislation, and assist the sector in developing a strategy for the removal of such inconsistencies*.
Additional Client Services / Alternate Income Sources	*17.*	*Encourage saleyard managers to participate in extension exercises with their clients and vendors for the purpose of conveying important details about industry programs*.

Appendix 1 – Meeting Report, Forbes

MEETING: Saleyards Operators' Association Workshop
DATE (TIME): 19/4/05 (0900-1515) ***VENUE:*** Forbes NSW
ATTENDEES: Representatives from SOA, Telstra, Forbes Shire Council, AHA, MLA, Agents, NSWFA, NSW Dept of Ag

PURPOSE OF THE MEETING:

In convening the workshop, Ron Penny (SOA) had three main purposes:

1. to allow for the inspection of the new Forbes 'livestock exchange', currently under construction and due for opening late July;
2. to utilise the attendance of Telstra Countrywide representative, Gavin Priestley, for discussion on communications issues for saleyards; and
3. to address the fundamental question: What must saleyard operators do to maintain or improve their future relevance to their client base and the industry as a whole?

Kevin Atkins, NSW Ag, facilitated the workshop and elicited a range of issues that are summarised below.

ISSUES:

- **Communications**
  - the provision of adequate communications technology is critical to accurate and timely data transfer
    - … this is relevant to NLIS (acknowledged as very important), electronic and scanned NVD transfer, feedback of livestock/carcase information to vendors/breeders, real-time monitoring of sales, etc
  - Telstra has an MoU with the Forbes Shire Council to deliver services
    - … a fibre-optic cable has been installed from town to the exchange centre 11kms out of town
    - … back-up facilities using CDMA will be on standby in the event of the fibre-optic cable being damaged or failing
  - Telstra will work with any saleyard throughout Australia along similar lines, with the final solution being dependent on local circumstance
    - … the standard copper-wire service, for example, is becoming increasingly useable given new technology (a system that allows transfer speeds of up to 6mB per second is being trialled)
  - producers and their agents seek real-time data management/analysis
    - … this requires far greater internet speeds than are currently provided to most producers.
- **On-farm management and marketing**

- feedback is critical to enable best prices to be conveyed on line and immediately, allowing producers and/or their agents to make just-in-time decisions regarding the marketing of livestock.

- **Selling systems and logistics**
  - some participants thought electronic selling was unlikely to be a goer in Australia at this stage; others supported an acceleration of its development
    - all agreed that it will grow in importance as operational costs and OH&S issues become an increasing problem for abattoirs utilising roving buyers
    - AuctionPlus already exists and wouldn't take much to incorporate video imaging over the internet
    - a system is currently operating successfully in Canada ('Live Global Bid')
  - tracking of livestock and trucks
    - huge potential for tracking truck movements and truck inventories
    - scanning could possibly happen on farm, the data loaded to the driver's device for eventual transfer to the receiving yard's database
  - NVDs
    - acknowledged that NVD scanning is proceeding at all possible speed
  - delivery to buyer
    - internet-enabling software?
    - an important innovation to enhance security would be the development and installation of a databox at the delivery yard where livestock await collection. In order for livestock to be released for loading, the driver would need to enter a PIN that would unlock the pen and allow for the downloading of data relating to all the livestock in the pen, including total weight (thus avoiding overloading of the truck) (Avdata keys are OK but many farmers don't have a key)
  - feedback
    - saleyards' ability to transfer individual animal information (weighing and scanning) from their yards or from the abattoirs' systems (carcase information) to the vendor will be very important to their long-term survival
    - saleyards need to be fully integrated into the data-transfer system

- **Product description, surveillance, authentication and traceability**
  - Disease monitoring and market assurances
    - advanced biopsy testing (e.g., for DNA markers, chemical freedom) could offer producers the opportunity to provide assurances, via bio-assays in e-form, to agents and/or buyers
      - this testing could be offered by saleyard operators
      - saleyard operators can act as 'assemblers' of assured livestock, taking greater control of supply lines from, say, licensed producers
    - product tracing (forwards and backwards) an important aspect for saleyards and transporters

- again, full integration into the tracing process is vital.

From all of the above points, the following headings were presented for further discussion by attendees who were split into groups:

– managing feedback; electronic selling/marketing; and producer decisions.

- **Managing Feedback**
  - saleyard operators will in many cases need to facilitate carcase-information feedback relating to livestock that pass through their centres
    - … this should be developed as a matter of priority through close co-operations with processors, agents and producers
    - … information sessions or CDs/videos on feedback sheets and how these can be interpreted by the producer to maximise their use should be developed as a valuable service offered by saleyard operators
  - saleyard operators should sell themselves as
    - … 'honest brokers'
    - … providers of open and transparent competition for livestock
    - … having private and independent weighing facilities for livestock, even if being sent direct to works
  - saleyard operators should drive the development of internet selling and, as part of this, livestock scanning for imaging and analysis
  - saleyard operators could consider being 'assemblers' for livestock being offered to overseas buyers via the internet
  - saleyard operators should recognise their importance in providing the social and information needs of farmers who see sale days as important social and networking events
    - … ensure excellent facilities (toilets, canteens, etc)
  - again, consider information sessions at the yards for vendors
  - saleyard operators should consider information sessions at central *farm-based* locations where major industry policy information can be discussed (e.g., farm tours regarding NLIS; woolshed tours regarding management of sheep diseases)
  - producers could be encouraged to use a saleyard's home page as a means of accessing processor feedback information about their livestock.

- **Electronic Selling/Marketing**
  - technical development
    - … video analysis, independent assessment, guaranteed auditing, collect DNA, weights, RFID

- proof of concept or benefit
  - … improved accuracy, improved returns
  - … less handling, improved OH&S
  - … improved guarantees of quality
- support/partnerships
  - … requires initial scoping
  - … requires industry sector agreement (producers, agents, selling centres, buyers, contractors)
  - … requires industry/government R&D funding
- a steering group should be established to progress.

Meeting ended 1515

POSSIBLE ACTIONS:

1. Saleyard operators to work with Telstra for improved communications capacities and speeds, with the aim of providing real-time prices and other important data-transfer initiatives.
2. Industry to support further development of internet marketing, including the use of video imaging of livestock being sold; again, speed of the network and associated systems is vital.
3. Industry to investigate the potential for tracking truck movements and recording individual truck inventories for data transfer to receivers of the livestock.
4. Saleyard operators to pursue the development of a security databox for individual pens in delivery yards that will enable drivers to utilise a PIN to unlock pens for truck loading and data transfer to truck drivers' devices.
5. Saleyard operators to ensure producers' social and networking needs are catered for (clean facilities, quality canteen, meeting/presentation room for information sessions).
6. Saleyard operators to facilitate farm-based information sessions covering industry policy issues that affect producers' way of doing business.
7. Industry to investigate the benefits of remote bioassay techniques to equip producers with a powerful tool for underpinning quality assurances regarding their livestock (saleyard operators may wish to provide such a service).
8. Saleyard operators to ensure their relevance in animal- and carcase-related feedback to vendors and in tracing of animals, forwards and backwards.
9. Saleyard operators to investigate their potential role in acting as assemblers of assured livestock for overseas buyers.
10. MLA to examine its role in gathering R&D moneys for initiatives relating to the future operations of saleyards.

Additional thoughts not covered above:

1. Is there scope for greater promotion by saleyards of the benefits they can offer the vendor and buyer (honest broker, gathering point for thousands of livestock, alleviation of OH&S issues, electronic data transfer, soft-floor selling, etc)?

Appendix 1 cont.

2. Individual weighing/scanning requires further investigation for its benefits. This approach may suit some selling centres more than others (e.g., cattle that have had little human contact prefer companionship when being subjected to certain operations like weighing).
3. Soft flooring is increasing in use, though it seems the 'jury is still out'. It is preferable that the yards within which the shavings or sawdust are spread is covered.
4. Can the NLIS tag be used to 'carry' instructions relating to drafting cattle in the yard? For example, once the cattle are weighed, can the tag be used to carry a message as to which pen should automatically open to receive the beast after weighing? Presumably a full-duplex tag would be required.
5. With the current high value of livestock, surveillance techniques for the prevention of theft should be upgraded.
6. Is there still a valid reason for the curfew (detrimentally affects livestock presentation)?

Appendix 2 – List of Contributors to This Report

Those who kindly gave their time to this scoping study comprised:

NAME	MEDIUM
Pat Blackall (poultry research)	Telephone
Allan Bloxsom	Face-to-face
Richard Brittan	Face-to-face
Don Burke	Face-to-face
Jack Gleeson	Telephone
Peter Homan	Telephone
Patrick Hutchinson	Telephone
Vivian Kite (poultry industry)	Telephone
John Knight	Face-to-face
Andy Madigan	Telephone
Maurice Morgan	Telephone
Peter Murray	Telephone
Graham Osborne	Telephone
Ron Penny	Face-to-face
David Pollock	Telephone
Mick Prendergast	Telephone
Peter Priem	Face-to-face
Des Rinehart	Telephone
Reuben Rose	Face-to-face
Vaughn Smith	Face-to-face
Andrew Stanton	Face-to-face
Paul White	Telephone